

AMERICAN INTERNATIONAL GROUP INC  
Form 10-Q  
November 03, 2016

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

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**FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934**

**For the quarterly period ended September 30, 2016**

**Commission File Number 1-8787**

**American International Group, Inc.**

**(Exact name of registrant as specified in its charter)**

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**13-2592361**

(I.R.S. Employer  
Identification No.)

**175 Water Street, New York, New York**

(Address of principal executive offices)

**10038**

(Zip Code)

**Registrant's telephone number, including area code: (212) 770-7000**

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes      No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes      No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer      Accelerated filer      Non-accelerated filer      Smaller reporting company

(Do not check if a  
smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes      No

As of November 2, 2016, there were 1,027,135,119 shares outstanding of the registrant's common stock.

**AMERICAN INTERNATIONAL GROUP, INC.**

**QUARTERLY REPORT ON FORM 10-Q FOR THE QUARTERLY  
PERIOD ENDED**

**September 30, 2016**

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**PART I – FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**American International Group, Inc.**

**CONDENSED Consolidated Balance Sheets *(unaudited)***

*(in millions, except for share data)*

**Assets:**

Investments:

Fixed maturity securities:

Bonds available for sale, at fair value (amortized cost: 2016 - \$241,415; 2015 - \$240,968)

Other bond securities, at fair value (See Note 6)

Equity Securities:

Common and preferred stock available for sale, at fair value (cost: 2016 - \$1,167; 2015 - \$1,379)

Other common and preferred stock, at fair value (See Note 6)

Mortgage and other loans receivable, net of allowance (portion measured at fair value: 2016 - \$11; 2015 - \$11)

Other invested assets (portion measured at fair value: 2016 - \$7,092; 2015 - \$8,912)

Short-term investments (portion measured at fair value: 2016 - \$2,724; 2015 - \$2,591)

Total investments

Cash

Accrued investment income

Premiums and other receivables, net of allowance

Reinsurance assets, net of allowance

Deferred income taxes

Deferred policy acquisition costs

Other assets, including restricted cash of \$196 in 2016 and \$170 in 2015

(portion measured at fair value: 2016 - \$2,133; 2015 - \$1,309)

Separate account assets, at fair value

Assets held for sale

**Total assets**

**Liabilities:**

Liability for unpaid losses and loss adjustment expenses

Unearned premiums

Future policy benefits for life and accident and health insurance contracts

Policyholder contract deposits (portion measured at fair value: 2016 - \$4,049; 2015 - \$2,325)

Other policyholder funds (portion measured at fair value: 2016 - \$6; 2015 - \$6)

Other liabilities (portion measured at fair value: 2016 - \$2,894; 2015 - \$2,082)

Long-term debt (portion measured at fair value: 2016 - \$3,664; 2015 - \$3,670)

Separate account liabilities

Liabilities held for sale

**Total liabilities**

**Contingencies, commitments and guarantees (see Note 10)**

**AIG shareholders' equity:**

Common stock, \$2.50 par value; 5,000,000,000 shares authorized; shares issued: 2016 - 1,906,671,492 and 2015 - 1,906,671,492

Treasury stock, at cost; 2016 - 863,782,936 shares; 2015 - 712,754,875 shares of common stock

Additional paid-in capital

Retained earnings

Accumulated other comprehensive income

**Total AIG shareholders' equity**

**Non-redeemable noncontrolling interests**

**Total equity**

**Total liabilities and equity**

*See accompanying Notes to Condensed Consolidated Financial Statements.*



**TABLE OF CONTENTS****Item 1 / Financial statements****American International Group, Inc.****CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
(LOSS) (unaudited)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
<i>(dollars in millions, except per share data)</i>				
<b>Revenues:</b>				
Premiums	\$ 8,581	\$ 8,862	\$26,138	\$27,222
Policy fees	646	701	2,029	2,062
Net investment income	3,783	3,206	10,479	10,872
Net realized capital gains (losses):				
Total other-than-temporary impairments on available for sale securities	(58)	(225)	(332)	(460)
Portion of other-than-temporary impairments on available for sale fixed maturity securities recognized in Other comprehensive income (loss)	(14)	(17)	(36)	(31)
Net other-than-temporary impairments on available for sale securities recognized in net income (loss)	(72)	(242)	(368)	(491)
Other realized capital gains (losses)	(693)	(100)	(461)	1,612
Total net realized capital gains (losses)	(765)	(342)	(829)	1,121
Other income	609	395	1,540	3,202
<b>Total revenues</b>	<b>12,854</b>	<b>12,822</b>	<b>39,357</b>	<b>44,492</b>
<b>Benefits, losses and expenses:</b>				
Policyholder benefits and losses incurred	7,489	6,936	20,748	20,582
Interest credited to policyholder account balances	887	881	2,798	2,752
Amortization of deferred policy acquisition costs	1,018	1,275	3,625	3,982
General operating and other expenses	2,536	3,175	8,125	9,212
Interest expense	329	321	955	972
Loss (gain) on extinguishment of debt	(14)	346	76	75
Net (gain) loss on sale of divested businesses	(128)	3	(351)	1
<b>Total benefits, losses and expenses</b>	<b>12,117</b>	<b>12,937</b>	<b>35,976</b>	<b>38,282</b>
<b>Income (loss) from continuing operations before income tax expense</b>	<b>737</b>	<b>(115)</b>	<b>3,381</b>	<b>6,210</b>
<b>Income tax expense</b>	<b>304</b>	<b>65</b>	<b>1,170</b>	<b>2,142</b>
<b>Income (loss) from continuing operations</b>	<b>433</b>	<b>(180)</b>	<b>2,211</b>	<b>4,068</b>
<b>Income (loss) from discontinued operations, net of income tax expense</b>	<b>3</b>	<b>(17)</b>	<b>(54)</b>	<b>1</b>